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Ex-U.S. Official Pleads Innocent to Plotting Sheik's Death

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Former Agency for International Development officer Walter Reed Martindale III yesterday pleaded not guilty to nine counts of conspiracy to commit murder, smuggling and firearms charges in an alleged plot to murder a flamboyant Saudi sheik.

In U.S. District Court in Alexandria, Judge Albert V. Bryan Jr. set trial for Martindale and his Saudi Arabian business partner for Oct. 9. If convicted on all counts, the former AID officer and State Department employee faces a maximum sentence of 51 years in jail and fines of \$46,000.

His partner, Ibrahim Rawaf, faces a maximum penalty of 30 years in prison and a \$30,000 fine. Bond for Rawaf, a fugitive in Beirut, has been set at \$1 million.

The charges have shocked Martindale's family and friends, who say they know him to have dedicated most of his 10 years in government service to helping Indo-Chinese refugees of the Vietnam War. One of the last Americans to leave Saigon in 1975, he took two Vietnamese orphans with him and later adopted them.

Martindale, a resident of the Hollin Hills section of Fairfax County, has not returned numerous telephone calls. His attorneys, Paul Kramer of Baltimore and Tom Burch of Washington, D.C., have declined to comment on the case.

Although many questions remain unanswered about the case, interviews with sources familiar with the investigation provide additional details of the alleged plot outlined in the federal grand jury indictment.

The indictment alleges that Martindale and Rawaf, then chairman of the board of Martindale's Washington-based company, American International Trade Group Inc., plotted last year to assassinate Mohammed Fassi. Fassi, related by marriage to the Saudi royal family, achieved notoriety for his lavish spending and for painting the nude statues outside his \$7 million Beverly Hills home in a grotesque manner.

Rawaf, 53, allegedly offered Martindale \$50,000 in cash to assassinate Fassi, who lived in London at the time. In addition, Rawaf allegedly promised additional contracts from other Saudis to the firm, which had several business deals in the Middle East. The plot, which sources close to the case say involved French and Cuban nationals in the actual killing, was not carried out.

At the time, the year-old company was experiencing financial difficulty, sources said, and Rawaf was looked upon as a key investment figure.

It is not clear why someone wanted Fassi killed. But the family was not highly regarded in Saudi circles even in the best of times, and with the notoriety of Mohammed Fassi the name became an embarrassment.

according to published reports about the Saudi royal family.

According to sources familiar with the case, Rawaf told Martindale he was a member of the royal family's security force and Martindale was led to believe that someone connected with the family may have had a personal grudge against Fassi.

Last summer, Martindale allegedly agreed to do the job and asked a friend of his, a former Army officer whom he knew in South Vietnam, to accompany him to London to conduct surveillance on Fassi's residence, according to sources. There, Martindale and the Army officer, identified in court papers only as an unindicted coconspirator, took notes about Fassi's bodyguards, took photographs and made sketches of the residence.

Martindale then arranged through another acquaintance from Vietnam, a retired Army colonel, for the purchase of a 9mm Uzi submachine gun, knowledgeable sources said. Federal prosecutors allege that Martindale made another trip to London last fall, with the gun concealed in his luggage. Using his old diplomatic passport, he was able to pass customs undetected.

Several days later, he met with a former Vietnamese army official, asked him to conduct surveillance of Fassi, and offered him about \$7,800 to assist in kidnapping the sheik, the indictment alleges. He left the gun in an attache case with the officer, who then called Scotland Yard.

Martindale was arrested two days later, on Oct. 26, at London's Gatwick Airport. He later pleaded guilty to illegally carrying the semiautomatic gun, a re-

volver and 75 rounds of ammunition and was fined \$2,400.

A native of Pensacola, Fla., Martindale joined AID in 1971 and was assigned as an assistant area development adviser to South Vietnam, an AID official said.

He did some intelligence-gathering. knowledgeable sources said. But most of his work, they said, was in economic development programs and with refugees, first in South Vietnam, then in the United States, and back to Southeast Asia.

In 1981, he was being considered for a cabinet-level secretarial appointment at the Department of Health and Human Services, but when he was not selected, he became increasingly bitter, some of his colleagues said. He resigned from AID in April 1981.

About a year later, he became president of American International Trade Group, which has offices at 1629 K St. NW.